

STATE OF MICHIGAN
DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

GENERAL EXEMPTION ORDER FOR CERTAIN MERGERS

WHEREAS, Section 402(b)(19) of the Michigan Uniform Securities Act, 1964 PA 265, as amended (the "Act") exempts from the registration requirements of Section 301 of the Act "[a]ny transaction incident to a *class vote by shareholders* pursuant to the *certificate of incorporation* or the *applicable corporation statute*, on a merger . . . in consideration of the issuance of securities of another *corporation*." (emphasis added); and

WHEREAS, many proposed merger situations involve business organizations that would otherwise qualify for exemption under the Act yet do not because the Section's exemption is limited to corporations only; and

WHEREAS, many complex mergers involve business organizations other than corporations, such as: Partnerships, Limited Partnerships, Limited Liability Companies, or Trusts; and

WHEREAS, a merger has satisfied the safeguards that the language of the Act was designed to afford shareholders of a corporation even if it involves non-corporate entities if the merger is preceded by full and fair disclosure to all security holders involved and consummated by a class vote of all security holders from each business entity; and

WHEREAS, the security holders of such business entities are in virtually no different position than corporate shareholders for purposes of the merger; and

WHEREAS; the Bureau's position is that the difference between a merger by entities other than a corporation and those involving only corporations is a difference of form, not substance; and

THEREFORE, IT IS HEREBY ORDERED, pursuant to Section 402(b)(20) of the Act, that the Administrator finds that any merger predicated by full and fair disclosure to all security holders involved and subsequently consummated by a class vote of those security holders is exempt from the registration provisions of the Act.

EXEMPTION ORDER
Page Two

IT IS FURTHER ORDERED that any merger involving an exchange of Limited Partnership interests must require a class vote of all limited partners or limited partnership assignees prior to consummation of the merger.

IT IS FURTHER ORDERED that the Administrator finds that registration is not necessary in the public interest and for the protection of investors.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Signed by Julie Croll, Director
Corporation, Securities and Land Development Bureau
6546 Mercantile Way
P.O. Box 30222
Lansing, Michigan 48909

Dated: June 26, 1998
Lansing, Michigan